

VZCZCXR09497
RR RUEHBZ RUEHDU RUEHJO RUEHMR RUEHRN
DE RUEHSB #0008/01 0050630

ZNR UUUUU ZZH

R 050630Z JAN 09

FM AMEMBASSY HARARE

TO RUEHC/SECSTATE WASHDC 3882

RUCNSAD/SOUTHERN AF DEVELOPMENT COMMUNITY COLLECTIVE

RUEHUJA/AMEMBASSY ABUJA 2151

RUEHAR/AMEMBASSY ACCRA 2526

RUEHDS/AMEMBASSY ADDIS ABABA 2649

RUEHRL/AMEMBASSY BERLIN 1142

RUEHBY/AMEMBASSY CANBERRA 1918

RUEHDK/AMEMBASSY DAKAR 2273

RUEHKM/AMEMBASSY KAMPALA 2698

RUEHNR/AMEMBASSY NAIROBI 5126

RHEHAAA/NSC WASHDC

RHMFISS/EUCOM POLAD VAIHINGEN GE

RUEHGV/USMISSION GENEVA 1805

RUZEJAA/JAC MOLESWORTH RAF MOLESWORTH UK

RHEFDIA/DIA WASHDC

RUEAIIA/CIA WASHDC

UNCLAS SECTION 01 OF 03 HARARE 000008

AF/S FOR B. WALCH

ADDIS ABABA FOR USAU

ADDIS ABABA FOR ACSS

NSC FOR SENIOR AFRICA DIRECTOR B.PITTMAN

TREASURY FOR D. PETERS

STATE PASS TO USAID FOR L.DOBINS AND E.LOKEN

COMMERCE FOR BECKY ERKUL

SIPDIS

E.O.12958: N/A

TAGS: [PGOV](#) [PREL](#) [ASEC](#) [PHUM](#) [ECON](#) [ZI](#)

SUBJECT: ZIM NOTES 01-02-2009

[11. SUMMARY](#)

Topics of the week:

- MDC and Civil Society Activists in Court...
- Next Steps...
- Bob Sent Morgan a Passport for Christmas...
- Wedding Bells Unite Zuma and MDC-M...
- Unproductive Year for Parliament...
- Cholera Response Continues...
- No Drought This Year...
- Miss Tourism Zim Crowned...
- Zimbabwe Not Quite Last In Global Competitiveness...
- Mobile Phone Providers Join The Dollarization Bandwagon...
- CFX Bank Chief Executive Officer Resigns...
- Demand For Zimbabwe Dollars Plummets...

[12. Price Movements-Exchange Rate](#)
and Selected products

Parallel rate for cash rose twelve-fold to Z\$6,000,000,000:US\$1

Check rate is steady at Z\$10 quadrillion:US\$1 against inter-bank
average of Z\$5,840,000:US\$1

Bread on the parallel market went up to Z\$6,000,000,000

Sugar rose twelve-fold to Z\$18,000,000,000/2kg

Petrol and diesel rose to Z\$7,200,000,000/liter

On the Political/Social Front

13. MDC and Civil Society Activists in Court... At least 18 MDC and civil society activists abducted between late October and mid-December suddenly appeared in police custody on December 22 and 23 and are now the subject of numerous court cases. Lawyers believe an additional 14 who remain unaccounted for are also in State custody. Some are charged with conspiring to recruit and train armed militias in Botswana and others are charged with recent police station bombings. On December 24 a High Court judge ordered the release of most detainees, but the State appealed and the case is now pending with the Supreme Court. In the High Court on December 31, lawyers for human rights activist Jestina Mukoko urged Justice Chitakunye to compel the State to investigate and arrest her captors. State Security Minister Didymus Mutasa urged the Court to limit details of any investigation on grounds of national security. In its argument, the State claimed that the Attorney General's office is not subject to court directives. Chitakunye will issue a decision on January 2, and the group of 16 will appear in the magistrate's court for a bail hearing (again) on January 5; two were ordered released on the 30th. Lawyers continue to experience difficulty accessing abductees in custody. At least nine were tortured in custody, as confirmed by medical examination late on December 30. See 08 Harare 1183, 1145, and 1147.

14. Next Steps...The MDC is considering strategy and whether and how to participate in a power-sharing government. See Harare 006 and 08 Harare 1146.

15. Bob Sent Morgan a Passport for Christmas... On Christmas Day, Morgan Tsvangirai received his passport, after a seven month wait. Robert Mugabe and MDC-M leader Arthur Mutambara have urged

HARARE 00000008 002 OF 003

Tsvangirai to return to Zimbabwe. Tsvangirai remains outside of Zimbabwe, for now, but plans to return soon. See Harare 1139 and 1146.

16. Wedding Bells Unite Zuma and MDC-M... South African's African National Congress's President Jacob Zuma was in Bulawayo on December 27 for his daughter Gugulethu's marriage to Bongai Ncube, son of MDC-M Secretary General Welshman Ncube. Gugu's mother, Zuma's ex-wife and current South African Minister of Foreign Affairs, Nkosazana Dlamini-Zuma, and officials from both MDC factions and ZANU-PF also attended the celebration. The happy couple met at the University of Cape Town, where they are both students. Zimbabwean Minister of Information and Publicity, Dr Sikhanyiso Ndlovu, dubbed it the "wedding of the year."

17. Unproductive Year for Parliament... 2008 was one of the most unproductive years on record for the Zimbabwean parliament. Just three bills were passed - all in January. In addition, the House of Assembly only sat for 13 days, the Senate for 11 days, and no parliamentary committees have been appointed since August. The GOZ enters 2009 without a budget, meaning that the government is only allotted one-third of its 2008 budget - a paltry sum given hyperinflation - until parliament passes a new budget. The House of Assembly is due to reconvene on January 20, and the Senate on the 27th. The first order of business will be Constitutional Amendment 19.

18. Cholera Response Continues... The epidemic has now affected all 10 provinces and resulted in 31,656 suspected cases and 1,586 deaths since August. However, some rural cholera treatment centers have not reported in days or, in some cases, weeks. The USG pledge of US\$6.8 million is being rapidly allocated, mostly to NGOs and UN agencies for water, sanitation, and hygiene (WASH) interventions. Nevertheless, the government mouthpiece The Herald has portrayed other donors as more generous and implied the U.S. is not assisting.

19. No Drought This Year... The Herald reported on December 31 that Zimbabwe's major reservoirs are 85% full. Despite this, most urban areas do not have access to piped water due a number of problems including lack of chemicals, inadequate pumping capacity and numerous leaks along the distribution mains, thanks to years of neglect and under-investment.

¶10. Miss Tourism Zim Crowned... Vanessa Sibanda beat out 29 other contestants for the title of Miss Tourism Zimbabwe on December 30. Pageant organizers, the parastatal Zimbabwe Tourism Authority, reportedly paid Congolese drummer Kanda Bongo Man US\$100,000 to perform at the televised pageant. The event was attended by numerous ministers, ZANU-PF MPs, and the Presidential Guard. Sibanda will receive a Mercedes Benz C200 for use during her reign.

On the Economic and Business Front

¶11. Zimbabwe Not Quite Last In Global Competitiveness... According to the newly released World Economic Forum's 2008-2009 Report on Global Competitiveness, Zimbabwe edged out Chad to rank 133 out of 134 countries evaluated.

¶12. Mobile Phone Providers Join The Dollarization Bandwagon... Zimbabwe's mobile service providers are now allowed to bill clients in foreign currency, joining a growing number of businesses charging or services in foreign exchange. The largest service provider, Econet, said this will allow it to expand coverage and meet growing foreign obligations. Calls, however, are expensive, with the

HARARE 00000008 003 OF 003

cheapest mobile phone call running US\$0.29 per minute.

¶13. CFX Bank Chief Executive Officer Resigns... The Chief Executive Officer (CEO) of CFX has resigned in an apparent response to the Reserve Bank Governor's decision to dissolve CFX and other banks' boards following allegations of misconduct that culminated in the suspension of five banks from the payments system on November 16, 2008. The CEO of the Zimbabwe Allied Banking Group (ZABG) continues to be suspended.

¶14. Demand For Zimbabwe Dollars Plummets... The introduction of shops that sell goods in foreign currency has seen a drastic fall in demand for Zimbabwe dollars on the once-vibrant parallel market for foreign exchange. Most people with free foreign exchange see no reason to change it into Zimbabwe dollars as most goods and services are now sold in forex even on informal markets. The Zimbabwe dollar continues to lose value on the parallel market where it is now trading at Z\$6 billion:US\$1.

Quote of the Week

¶15. "We should have been the ones who for a very long time occupied the moral high ground. I'm afraid we have betrayed our legacy." -- Archbishop Desmond Tutu speaking to BBC on December 24 on South Africa's role in the Zimbabwe crisis.

¶16. "There is no law in Zimbabwe that allows anybody to grab you in your night clothes, put you in a car, blindfold you and take you to undisclosed places for three weeks without your family knowing where you are." -- Beatrice Mtetwa, defense lawyer for Jestina Mukoko and other recent abduction victims.

DHANANI